

Mortgage Insurance for Rental Housing for the Elderly (Section 231)

Federal mortgage insurance to finance the construction or rehabilitation of rental housing for the elderly and/or persons with disabilities.

Nature of Program: To assure a supply of rental housing suited to the needs of the elderly or handicapped, FHA insures mortgages made by private lending institutions to build or rehabilitate multifamily projects consisting of five or more units. FHA may insure up to 100 percent of the Federal Housing Commissioner's estimate of value after completion for nonprofit and public mortgagors, but only up to 90 percent for private mortgagors. Congregate care projects with central kitchens providing food service are not eligible.

Applicant Eligibility: Investors, builders, developers, public bodies, and nonprofit sponsors may qualify for mortgage insurance. All elderly (62 or older) and/or persons with disabilities are eligible to occupy units in a project insured under this program.

Legal Authority: Section 231 of the National Housing Act (12 U.S.C. 1715v). Regulations are at 24 CFR part 200, subpart A, and part 231.

Administering Office: Assistant Secretary for Housing-Federal Housing Commissioner, U.S. Department of Housing and Urban Development, Washington, DC 20410.

Information Sources: Administering office; HUD Multifamily Hubs and Program Centers.

On the Web: www.hud.gov/offices/hsg/mfh/progdsc/renths geld231.cfm

Current Status: Active.